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CROP INSURANCE NEWS

A conversation between John A. Bird of the Federal Crop Insurance Corporation, and Wallace Kadderly, Radio Service, broadcast Thursday, August 3, 1939, in the Department of Agriculture period, National Farm and Home Hour, and broadcast over the NBC Blue Network.

KADDERLY:

John Bird of the Federal Crop Insurance Corporation is here to talk about the latest news on the wheat crop insurance program. During the past few months state and county Triple-A committees all over the wheat belt have been assembling information on yields and rates for the 1940 insurance program.

That work has been completed, and now, John, I understand the first application for 1940 wheat crop insurance has been signed.

BIRD:

That's right, Wallace. A few days ago in Caddo County, Oklahoma, a farmer by the name of Orris Orme stepped up and signed an application to insure the crop he is going to plant for harvest in 1940.

KADDERLY:

And that was the first application to be signed in the United States for the 1940 crop insurance program. That is news.

BIRD:

Yes, Sir!

KADDERLY:

Insurance Contract No. 1 means that the 1940 program is officially under way. Tell us more about this first contract, John.

BIRD:

Here's the story. Mr. Orme operates a 280-acre river-bottom farm near Anadarko, Oklahoma. He ordinarily plants about 80 acres of wheat and his average yield has been around 14 1/2 bushels per acre. He is usually pretty sure of a crop so last year he didn't take out crop insurance.

KADDERLY:

What caused him to change his mind this year?

BIRD:

A spring drought. It cut his 1939 wheat crop down to 4 bushels an acre -- not enough to pay the harvest costs. Mr. Orme got to figuring that if the crop had been insured he would have had nearly 11 bushels of wheat an acre to sell. So he has insured 78.9 acres that he intends to plant this fall. His premium rate is only .6 of a bushel an acre and his total premium was 48 bushels. So now Mr. Orme is sure of having at least 874 bushels from his 1940 crop.

KADDERLY:

Even though he should run into another drought or flood or any other natural hazard. One question, John, on that premium. Did Mr. Orme pay it in wheat or the cash equivalent?

BIRD:

Neither, Wallace. He signed up for an advance against his 1940 Triple-A payments. You know that under the 1940 program all wheat growers can take their choices of paying in wheat, the cash equivalent, or by drawing against Triple-A payments.

KADDERLY:

Now that the ice is broken, so to speak, for the 1940 crop insurance sign-up, how many growers do you think will take part?

BIRD:

Well, of course, we don't know exactly how many farmers will follow Mr. Orme's example. But reports from the states indicate that we may expect a good many more than in the 1939 program, largely as a result of the demonstration made by crop insurance this year. In Caddo County (Mr. Orme's county) more than half the farmers who insured their 1939 crops have received insurance payments. Altogether crop insurance has increased the wheat income of that county by about 25,000 bushels.

KADDERLY:

While you're on that line of thought, John, how many farmers in the nation have collected crop insurance on their 1939 crop.

BIRD:

Up to August 1st, more than 7,500 farmers in 23 states had submitted claims against the Corporation because of crop losses. Altogether the Corporation has paid these growers two million bushels of wheat. The adjustment work is nearing a close in the winter wheat belt and it is just getting into full swing in the spring wheat belt. The main point is that, through insurance, thousands of wheat growers will have some wheat income this harvest, despite the fact that their harvest was a failure.

KADDERLY:

Thank you, John Bird, for the news on the crop insurance program. We will be expecting other reports from time to time on the progress of the 1940 crop insurance program.